

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
DIVISION II
CIVIL ACTION NO. 06-CI-00114

DEPARTMENT OF FINANCIAL INSTITUTIONS

PETITIONER

V.

JEWELL ROBBINS, ET AL.

RESPONDENTS

**MOTION TO HOLD RESPONDENT JEWELL ROBBINS IN CONTEMPT OF
COURT FOR VIOLATION OF THIS COURT'S ORDERS OF JUNE 12, 2006
AND MAY 10, 2007**

Petitioner, the Kentucky Department of Financial Institutions, pursuant to CR 37.02, moves the Court for an Order holding the Respondent, Jewell Robbins, in contempt of court for violating this Court's Orders of June 12, 2006 and May 10, 2007. Petitioner also requests that the Court enter any and all appropriate sanctions against Respondent as a result of her violation of the Court's Order. In support of this Motion, Petitioner states as follows:

On June 12, 2006, this Court entered a Voluntary Permanent Injunction Order permanently enjoining Robbins from "selling any type of securities, including but not limited to, sales or assignments of partial interests in litigation or judgments, in this state or out of it, until such contemplated sale has been approved by the Division of Securities of the Kentucky Office of Financial Institutions." The Order further provided that "[i]f the OFI believes that any of the Respondents have failed at any time to abide by the terms of this permanent injunction, it shall file a motion with this Court, with adequate notice to the Respondents, for hearing to determine whether a Respondent is in contempt."

Following an evidentiary hearing before the Court, an Order was entered on May 10, 2007, finding Robbins in contempt of court for having violated the Court's June 12,

2006 Order by continuing to sell securities in the form of sales or assignments of partial interest in litigation or judgments involving the Spindletop Heirs litigation. The Court further found Robbins' conduct to be a "willful, knowing violation" of its prior order and sentenced Robbins to incarceration in the Franklin County Jail for a period of 120 days. However, the Court suspended the jail sentence upon Robbins' compliance with the Court's orders. The Court "sternly" warned Robbins that disobedience with its Orders would result in her being jailed for contempt of court. The case was subsequently set for periodic reviews of compliance.

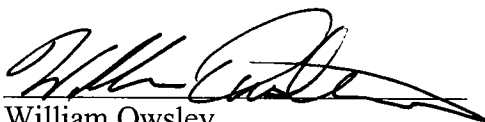
As it has previously advised this Court, the DFI first began receiving word of unconfirmed reports that Robbins was again selling these securities in violation of the Court's Orders. The reports which it received indicated that Robbins was operating through third-party intermediaries in an attempt to avoid being traced directly to the sales. The DFI was unable to uncover evidence sufficient to connect Robbins directly to any sales or solicitations, and Robbins herself provided the DFI with sworn interrogatory answers in March, 2008 in which she professed not to be selling, either directly or through intermediaries. (See Answers to Interrogatories dated March 25, 2008 of record in this action and attached to this Motion as Exhibit A). Robbins' Counsel also made the same representation to the Court at the most recent status review conference on May 6, 2008.

On May 19, 2008, WAVE 3 television in Louisville aired two reports on the Jewell Robbins story. In the course of that investigative news story the reporter, Charla Young, posing as a potential investor, appears to have actually connected Robbins to these transactions being handled by her intermediaries. Although FCC regulations

prevented WAVE from playing certain tape recorded telephone conversations involving Robbins and which Ms. Young had made, the complete recorded conversation was subsequently posted on WAVE's website at www.wave3.com. The Department of Financial Institutions has obtained a copy of that recorded conversation, which is submitted with this Motion as Exhibit B. An Affidavit from reporter Young authenticating the tape is also submitted with this Motion as Exhibit C. This recording confirms, finally, that Robbins has continued her unlawful conduct in flagrant disregard for the Orders of this Court, and the DFI requests that this Court enter all appropriate sanctions against Robbins, including but not limited to immediate imposition of the 120 day jail sentence set down in the May 10, 2007 Order.

NOTICE

Please take Notice that this Motion will come on for hearing before the Franklin Circuit Court, Division II, on Wednesday, July 9, 2008 at the hour of 9:30 a.m. at which time Petitioner will present the Court with the tape recordings obtained from reporter Young and with her own testimony regarding those recordings.



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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Motion was served on the by mailing a copy of same, via U.S. mail, postage prepaid, to counsel for Respondent, Hon. Ronald D. Bowling, 271 West Short Street, Suite 400, Lexington, Kentucky 40507 on this the 30th day of June, 2008.

A handwritten signature in black ink, appearing to read 'William Owsley', is written over a horizontal line.

William Owsley
Office of General Counsel
Ky. Department of Financial Institutions